

SECRET
NO FOREIGN DISSEM
BACKGROUND USE ONLY

OCI No.. 0641/65

Copy No. 110

WEEKLY REPORT



THE SITUATION IN SOUTH VIETNAM

13 October 1965

DIA, DOS Declassification/Release Instructions on File

INTELLIGENCE AND REPORTING SUBCOMMITTEE OF THE INTERAGENCY
VIETNAM COORDINATING COMMITTEE

NO FOREIGN DISSEM
SECRET

GROUP 1
Excluded from automatic
downgrading and declassification

W A R N I N G

This material contains information affecting the National Defense of the United States within the meaning of the espionage laws, Title 18, USC, Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

OCI NO. 0641/65

Published by the Directorate of Intelligence
Central Intelligence Agency

THE SITUATION IN SOUTH VIETNAM
(7 October 1965 - 13 October 1965)

C O N T E N T S

	<u>Page</u>
THE WEEK IN PERSPECTIVE	iii
Map, South Vietnam, facing page	1
I. THE SITUATION IN SOUTH VIETNAM	1
A. POLITICAL SITUATION	1
Premier Ky's military and cabinet changes cause some dissatisfaction (p. 1); National Police alert to a coup attempt (p. 2); Ky may be planning further changes in cabinet (p. 2); Liberation Front proclaims "month of hatred" of the US (p. 2); Rice supply will be at a low but not dangerous level (p. 3); Retail prices continue to rise (p. 3).	
B. MILITARY SITUATION	5
Viet Cong - initiated incidents increase (p. 5); Terrorist actions in and around Saigon stepped up (p. 5); Allied strength increased (p. 6); Statistics on kill ratio and weapons losses (p. 6); Phu Cu Pass area scene of battle for third time in two weeks (p. 6); Viet Cong suffered a major defeat in An Xuyen Province (p. 7).	

	<u>Page</u>
C. RURAL RECONSTRUCTION	8
<p>Chief of State Thieu stresses urgent need for rural reconstruction if Viet Cong sue armistice (p. 8); Ky and party impressed by Malaysian National Police methods (p. 8); Refugee population in South Vietnam at new high (p. 8); Chieu Hoi returnee, ralliers and political cadre statistics (p. 9).</p>	
Map, North Vietnam, facing page	10
II. DEVELOPMENTS IN THE BLOC	10
<p>Seven new SAM sites discovered (p.10); Hanoi has projected negative to the Afro-Asian world on negotiations (p.10); North Vietnam has stepped up propaganda campaign about US air attacks (p. 10).</p>	
III. THIRD COUNTRY DEVELOPMENTS	12
<p>Premier Ky concludes visit to Malaysia (p.12); Japanese Government indicates support for US policy in Vietnam (p.12); ICC discusses violations of demilitarized Zone (p.13); Sweden's Foreign Minister Nilsson's speech to UN General Assembly analyzed (p.13); 5,000 ROK troops land at Cam Ranh Bay (p.14); Assistance from Venezuela, Spain and Italy being sought (p. 14).</p>	
<p>ANNEX: South Vietnam Battle Statistics (Weekly) US Combat Casualty Figures in Vietnam (Weekly)</p>	
<p>(The Weekly Report on the Situation in South Vietnam is based on contributions from CIA, DIA, and INR; it is edited and published by CIA without final coordination.)</p>	

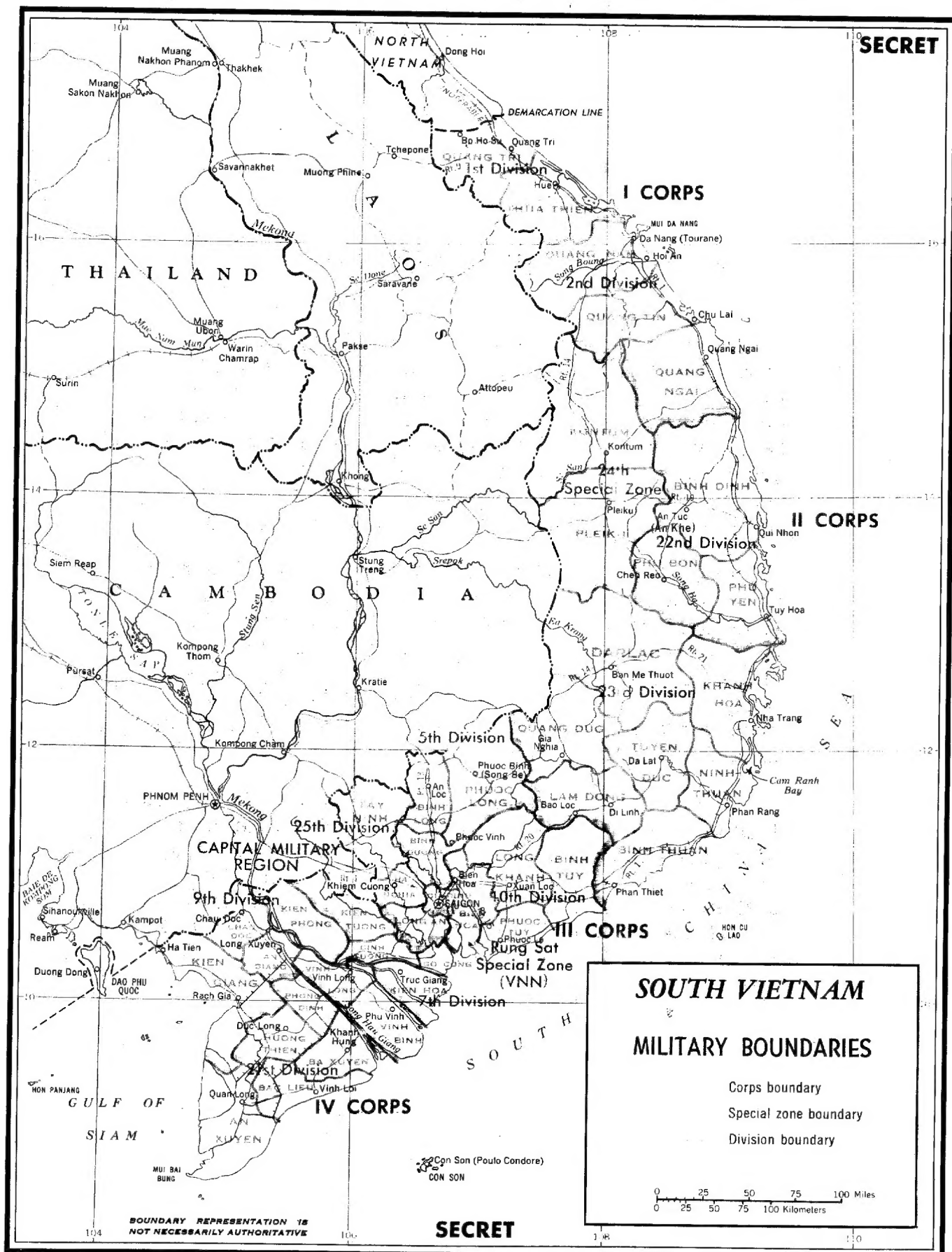
THE WEEK IN PERSPECTIVE

Dissatisfaction in military circles, notably on the part of Minister of War and Reconstruction General Co, has become evident over the recent military appointments announced by Premier Ky. Co's objections, which he claimed were shared by certain southern and Buddhist elements, have been aired with leading members of the military Directorate, and differences have been patched up, if only temporarily.

Meanwhile, the Viet Cong Liberation News Agency is devoting an extraordinary effort on its clandestine radio broadcasts to a month-long "hate America" campaign to be launched on 15 October with a general strike in urban areas. Although the Viet Cong capability to draw an effective response is unknown, the propaganda broadcasts may herald a step-up in terrorist and sabotage attempts targeted at Americans.

The number of Viet Cong-initiated actions increased last week in all areas of the country. The majority of such incidents, however, continued to be small-scale, harassing actions, and the more significant military activity centered around South Vietnamese and allied operations. A drop-off in casualties reflected a slight decline in the over-all intensity of fighting during the week.

SECRET



I. THE SITUATION IN SOUTH VIETNAM

A. POLITICAL SITUATION

1. Indications of dissatisfaction within high government circles, centering around Premier Ky's military and cabinet changes announced on 1 October, surfaced during the past week. General Nguyen Huu Co appears to have been the most prominent figure to air such dissatisfaction, not only to US military officials but to his colleagues on the ruling military Directorate. He lost his earlier title of chief, Joint General Staff while acquiring semi-political responsibilities in the pacification field in addition to his other duties as minister of War.

2. Co's complaints about his own assignment were pegged to his fears he was being removed from a professional military role and becoming subjected to the political vicissitudes of the government. In addition, Co told General Westmoreland that Ky's new appointments had been decided while Co was out of the country. The military changes appeared, he added, in the eyes of certain Buddhist and southern-oriented circles--in both the civilian and military sectors--to favor Catholics and natives of North Vietnam. Co further implied that he had received a personal slight from Premier Ky through the latter's lukewarm comments at his 1 October press conference concerning the establishment of a civilian "advisory council." He noted that he had strongly endorsed the council proposal to the premier and that Ky had earlier indicated his approval.

3. The specific grievances raised by General Co were apparently the subject of frank discussions among Co, Ky, Directorate chairman General Thieu, and Capital Region Commander General Khang on 7 October, immediately following Premier Ky's return from his official visit to Malaysia. They reportedly agreed that, in the interests of military solidarity, the appointments would stand as announced. Co, moreover, was apparently pacified for the moment by an arrangement under which he would retain his offices in the Joint General Staff compound, with the new armed forces chief, General Cao Van Vien, reporting directly to Co.

4. Although immediate dissension among senior government officials appears to have been papered over, these informal working arrangements could prove untenable, depending on the assertiveness of General Vien, a hitherto apolitical officer, as the new chief of the Joint General Staff. A reported order, issued by National Police director Colonel Pham Van Lieu on 8 October, to police north of Saigon to watch for troop movements toward the capital suggests concern over a coup attempt, either by Co or by junior officers in III Corps alleged by Co to be displeased with their new commander, General Nguyen Bao Tri.

5. According to information [REDACTED] Premier Ky may be planning still further changes in his cabinet before November. Ky reportedly is seeking replacements for Psychological Warfare Secretary Kinh Trinh Chinh and Youth and Sports Secretary Nguyen Tan Hong. Both men were earlier rumored likely to be removed after repeated frictions with Ky. A third minister also possibly at odds with Ky, Secretary of Public Works Ngo Trong Anh would be retained, possibly because of close ties with the Buddhists. Anh, however, is being resubordinated to General Co's ministry.

25X1X

6. An unconfirmed report states that Ky has also signed an order for the removal of Police Director Lieu. The reason for any such order is unknown, but could stem from Lieu's role in recommending several of the recently announced military changes. On the other hand, [REDACTED]

25X1C

[REDACTED] Ky and Lieu, as a result of their trip to Malaysia, were contemplating a major reorganization of the police, based on Malaysian experiences.

7. The Viet Cong Liberation Front has proclaimed a "month of hatred" of the US, to begin on 15 October with a general strike in cities and towns. The strike, lasting an hour, would be to commemorate a Viet Cong terrorist who was executed a year ago after an attempt on the life of Secretary McNamara. The Front's appeal has been accorded an extraordinary amount of publicity by the Viet Cong Liberation Radio, including several broadcasts daily directed at various Front components. Front President Nguyen Huu Tho is also reportedly

calling for a peasant demonstration in Saigon on 15 October to protest American activities in Vietnam. In addition, the "month of hatred" campaign has exhorted civilians and troops in government-held areas to step up efforts to "wipe out US aggressors," cut communications lines, and destroy storage installations. In separate broadcasts protesting recent government executions of common criminals, the Front radio has also raised threats of possible retaliation if specific Viet Cong terrorists now under detention are not released.

9. The latest Liberation Front campaign would seem to portend a period of stepped-up terrorist actions against Americans or American installations. The murder of a policeman guarding Ambassador Lodge's residence on 12 October may be a step in this direction, although the perpetrator has not been identified. In the past few months, police have been primary targets of Viet Cong terrorist acts in the Saigon area. This targeting of the police may be due to the growing effectiveness of the police-operated resources control program, still largely restricted to the environs of the capital but now being expanded throughout the country.

Economic Situation

10. The Mission reports lower rice stocks and expects that delays in PL-480 arrivals will reduce late November stocks to the low--but not dangerous--level of about 25,000 metric tons. Scheduled arrivals are then expected to restore stocks to more comfortable levels, and some of the authorized purchases of Thai rice can be obtained earlier, thus adding to the margin of safety. Local morale has been favorably affected by the recent announcement of the 100,000-ton PL-480 agreement, but the local market seems unaware of the prospect of a tight stock situation in late November. This has been evidenced by a slight fall in wholesale prices, a good flow of early rice crop into milling centers, and trade predictions of good deliveries from the main crop. However, substantial imports will still be needed in 1966.

11. Retail prices continue to rise, with the USOM index of food prices up by 4 percent and non-food prices 3 percent higher than last week. The black market exchange rate is apparently climbing again after the temporary stability shown during September. It has reached a new high of 156 piasters to the dollar compared with a range of 145-148 in mid-September.

B. MILITARY SITUATION

1. The number of Viet Cong - initiated incidents increased in all South Vietnamese corps areas during the week ending 9 October; terrorism again accounted for over 60 percent of them. There were 92 acts of sabotage against the previous week's 67, and attacks rose from 9 to 12. One-third of all incidents occurred in IV Corps, 27 percent were in the I Corps, and the II Corps and III Corps each had about 18 percent. Those in the Capital Military Region, however, declined from 33 to 22.

2. In I Corps, the Communists emphasized harassment, terrorism, and sabotage; they were also apparently trying to harvest rice in areas not under government control. The movement of the Viet Cong 1st Regiment from Quang Ngai to Quang Tin Province was confirmed; it is probably retraining, regrouping, and recruiting and may move elsewhere when operationally ready.

3. In II Corps, an estimated Viet Cong battalion attacked in Quang Duc Province on 4 October, the first reported incident involving a battalion in this region. Two major daylight encounters with the Vietnamese Army in Binh Dinh, in which both sides suffered heavy casualties, indicate that the guerrillas are willing to take risks to maintain their presence in this key coastal province.

4. Viet Cong activity in II Corps rose slightly during the week, but the insurgents restricted themselves to ambushing small elements and attacking isolated outposts. This operational pattern may have resulted in part from the need to process and train replacements--about 1,000 of whom were assigned to units in Binh Duong Province early last month, according to captured documents.

5. Terrorist actions in and around Saigon were stepped up. The National Police, rather than US personnel, have been the primary target in recent weeks.

6. In IV Corps, Viet Cong actions were apparently directed at clearing and securing the supply and liaison corridor running from the mangrove swamps of south-

west Kien Hoa inland through Dinh Tuong and Kien Tuong to Tay Ninh Province. This activity may be related to a reported Viet Cong plan to cut National Route 4 between Saigon and the Mekong Delta.

7. Allied strength continued to grow in South Vietnam with the arrival of major elements of the 1st Infantry Division and their subsequent deployment in the III CTZ. Republic of Korea combat units also landed at Qui Nhon and Cam Ranh Bay to assist in the defense of these port areas.

8. There was a slight decrease in government military operations over-all although small unit actions increased. The kill ratio favored the GVN 3.36 to 1, a drop from the previous week of 5.5 to 1.

9. There were no large-scale RVNAF military operations conducted in the I CTZ during the past week. Efforts to protect the rice harvest continued and, although government activity increased, contacts with the Viet Cong involved only small unit actions.

10. Heavy fighting broke out again in Phu Cu Pass, II CTZ. ARVN troops were attacked with mortar and small arms fire and heavy casualties were suffered before reinforcements arrived. This was the third time in two weeks that this area of Binh Dinh Province had been contested. As a result of the Communist concentration in Binh Dinh Province north of Route 19 between Qui Nhon and An Khe, three consecutive B-52 Stratofortress airstrikes were conducted followed by a large-scale allied sweep of the target area. No major contact with Viet Cong forces has been reported, but operations are continuing.

11. Military operations in the II CTZ were highlighted by a three-day sweep of the "Iron Triangle" by the US 173rd Airborne Brigade and allied units on the edge of Zone D 20 miles north of Saigon. The ground sweep launched immediately following two B-52 Stratofortress raids encountered only light opposition. Tear gas was used on at least two occasions with negative results. In An Xuyen Province, IV CTZ, near the southern tip of the Ca Mau peninsula, a reinforced Viet Cong battalion suffered a major defeat. A coordinated airmobile and ground attack by an ARVN

multi-battalion force, supported by over 50 close air support sorties, resulted in 220 Viet Cong killed. Friendly forces lost eight killed and 39 wounded in the two-day encounter.

12. In the Gulf of Siam, US patrol boats sank one Viet Cong junk and captured another. A small number of Chinese Communist 7.62 mm rifles and ammunition was recovered from the two junks which had been engaged in movement of personnel and supplies between Phu Quoc Island and the mainland.

13. B-52 Stratofortress air strikes against suspected Viet Cong strongholds and possible troop concentrations continued at a steady pace during the week. Of the nine missions conducted, two were over Tay Ninh Province, two over Binh Duong Province, one over Thua Thien Province, and three over Binh Dinh Province.

14. At the end of the week the following main roads were closed. National Route 1 was closed in Quang Ngai, Binh Thuan, Binh Tuy, and Hau Nghia provinces; Route 19 in Pleiku, and Route 7 in Phu Yen and Phu Bon. Interprovincial Routes 1 and 5 were closed in Phuoc Long and Long An provinces, respectively. The coastal railroad was open between Saigon and Xuan Loc, Song Long Song and Ninh Hoa, Dalat and Phan Rang, and Da Nang and Cong Ha.

C. RURAL RECONSTRUCTION

1. Chief of State Nguyen Van Thieu believes there is an urgent need to select, train, and deploy effective cadres for rural reconstruction to match the Viet Cong effort in the political field. He bases this on an estimate that by next January the Viet Cong will be suing for an armistice, the negotiation of the disarming of forces, and the subsequent holding of a plebiscite to determine the fate of the country. He believes that the Communists are reorienting their infrastructure at the village level toward this end. Thieu feels that if 15,000 highly trained and nationalistically motivated cadres could be fielded, they would be worth several divisions of ARVN troops in the political situation he sees evolving. The GVN is now thinking of recruiting such political cadres from the ranks of junior officers, students, and carefully selected civilians from so-called "nationalistic" political parties.

2. Prime Minister Ky and National Police Director Colonel Pham Van Lieu, were impressed with the methods and organization of the Malaysian National Police during their recent visit to that country, [REDACTED] Ky is reported to have decided to reorganize the South Vietnamese police along lines similar to the Malaysian force. Particularly impressive to Ky was the way the Malaysian police keep in daily touch with their areas of responsibility and the integral role they play in civic action programs and rural development.

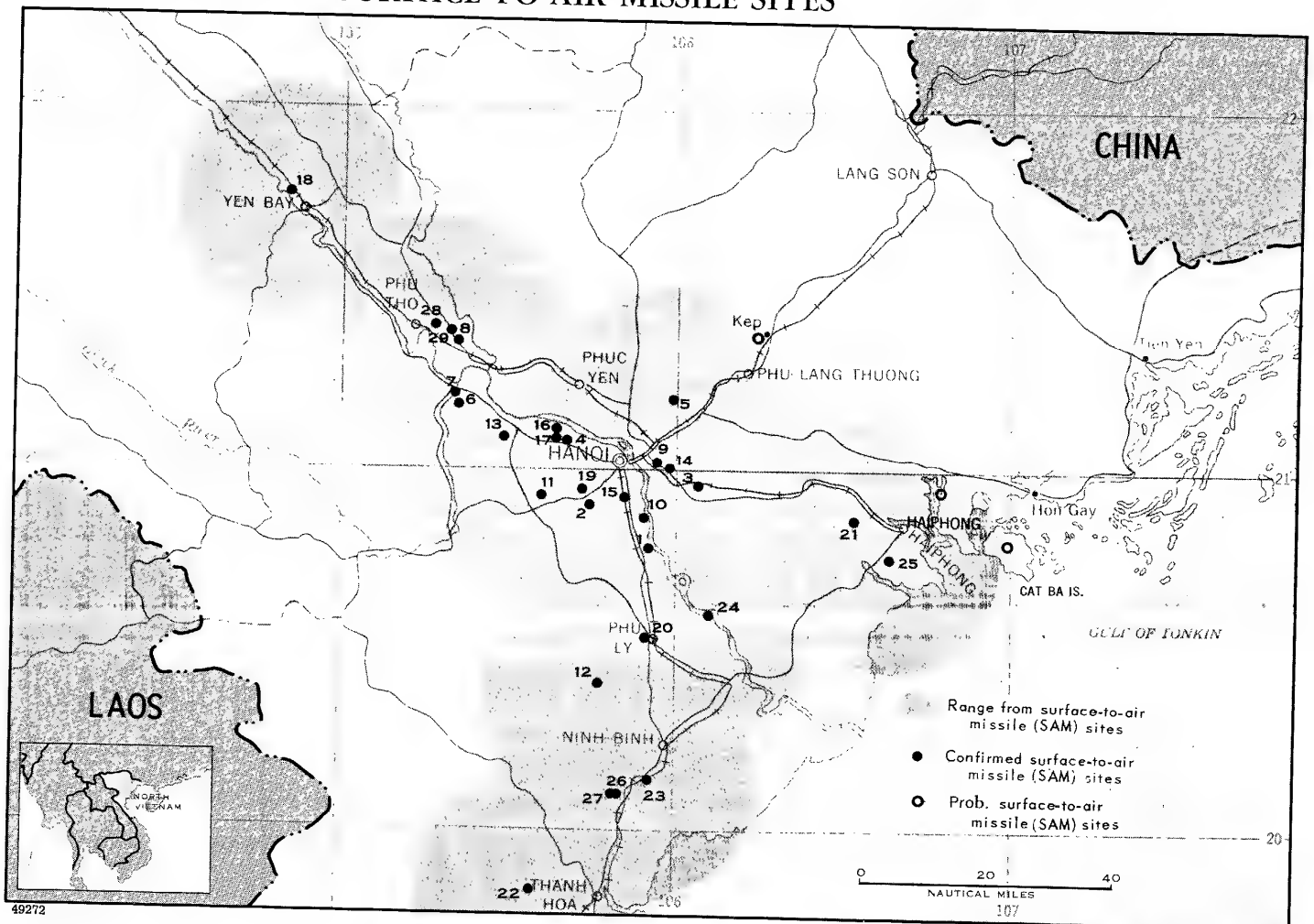
25X1C

3. The refugee population in South Vietnam during the period 27 September-3 October, reached 680,000 as compared with 645,000 as of 26 September. Of this total, 258,000 have been resettled, while nearly 422,000 remain in temporary shelters. On a regional breakdown there has been a decrease in the total number of refugees in I Corps; an increase in II Corps--due largely to the increase in military activity there; no change in III Corps; and some increase in IV Corps, offset to some extent by an increase in the number of those resettled.

4. The recently designated Rural Construction minister, General Nguyen Duc Thang, was formally installed on 5 October. He is reported to be planning the reorganization of the ministry along simpler lines with three principal divisions; administration, plans and program, and training. It is believed that Thang will bring in several of his own men from the Joint General Staff to fill key posts. Almost all of the civilians brought into the ministry by its former head, Ung, have reportedly submitted their resignations. As of this date no action has been taken on them, but it is believed that the resignations will all be accepted.

5. Chieu Hoi returnees numbered 651 during the period 3-9 October. The sharp drop from the previous week's total of 877 was due mainly to the substantially lower number of civilian returnees this week, 290 versus 609. Ralliers in other categories were: 293 military versus last week's 224; and 64 political cadres this week as opposed to 34 last week. There were also four draft dodgers or deserters.

NORTH VIETNAM: SURFACE-TO-AIR MISSILE SITES



25X1C

SECRET

II. DEVELOPMENTS IN THE BLOC

1. Seven new surface-to-air missile sites have been discovered in aerial photography during the past week bringing the total of confirmed SAM sites in the DRV to 29. Despite the proliferation of sites, it is estimated that at present there is only enough equipment in the DRV to equip between six and ten sites. The largest number of operational SAM sites--i.e. equipped with missiles and ready to fire--discovered at any one time was five, on 8 October. Many of the newly discovered SAM sites are grouped in twos or threes within a few miles of one another, probably to facilitate the mobile employment of the SA-2 system.

2. The negative image that Hanoi has projected to the Afro-Asian world by its refusal to moderate its stand on negotiating is apparently causing some concern within the DRV leadership.

25X6 [redacted] the UAR charge there was summoned several times to the North Vietnam Foreign Ministry in mid-September to hear protests and harangues about the lack of African support for the DRV stand on the war and negotiations. The charge admitted to [redacted] 25X6 [redacted] that African sentiment was building up strongly in favor of negotiations and against the uncompromising stand of the North Vietnamese. Concern about this moderate attitude on the part of the Africans may have contributed to a reported DRV effort to prevent a discussion of Vietnam at the upcoming OAU summit meeting beginning 21 October in Accra. According to an Egyptian press report on 8 October, the DRV ambassador in Cairo urged African ambassadors there that the subject of Vietnam not be raised at the summit meeting as any OAU decision on Vietnam would be "useless."

3. In recent weeks the DRV has stepped up its propaganda campaign against what it terms the deliberate attacks by US aircraft on hospitals, schools, and other civilian installations in North Vietnam. The regime has allowed Egyptian and Japanese correspondents to visit bombed areas to see the damage for themselves. The latter group was allowed to make a television film about the

destruction of a leprosarium and to document other alleged acts of US destruction. The regime has published a list of all civilian installations struck since the air strikes began and most recently has accused the US of striking more than 100 educational installations and causing death and injury to countless teachers and pupils. All of this is doubtless designed to bolster North Vietnamese assertions that it is the innocent victim of US aggression, in the hope of sparking Free World pressure against the US air attacks.

III. THIRD COUNTRY DEVELOPMENTS

A. MALAYSIA

Premier Ky concluded his visit to Malaysia on 7 October. The joint communique issued at the close of the visit was rather innocuous, noting merely that discussions had been held on topics of mutual interest and that Malaysian Prime Minister Rahman had assured Premier Ky of Malaysia's continued support of Vietnam in its struggle against Communism. A GVN Foreign Ministry official told Embassy Saigon that agreement had been reached on expanded training for Vietnamese in Malaysia in antiguerrilla warfare techniques. In a press conference on his return to Saigon, Premier Ky stated that he had invited Malaysian Deputy Prime Minister and Defense Minister Razak, who is in charge of rural development, as well as Malaysian experts in the field to come to Vietnam. Ky said that he had been assured that when Malaysia no longer feels threatened by its confrontation with Indonesia it would step up its material assistance to Vietnam. Ky said that in return he had pledged Vietnam's readiness to contribute manpower and resources to help Malaysia in case it is threatened. (See also foregoing paragraph IC 2, under "Rural Construction.")

B. JAPAN

1. The Japanese Government indicated support for US policy in Vietnam. After ratification of the Japan-Korea agreement by the end of November, Japan would be able to play a greater role in Vietnam, according to Toshikazu Kase, former Japanese Ambassador to the United Nations who visited Vietnam in early October on an official mission for Prime Minister Sato. Kase mentioned to Ambassador Lodge the possibility of Japanese medical aid and economic assistance. He also commented that once pacification of Vietnam had been accomplished, it would be possible for Japan to make an even greater contribution in "political" as well as economic ways.

2. In a conversation with Soviet Ambassador Vinogradov on 6 October, Minister Sato agreed with Vinogradov's statement that Japan was becoming more favorable to the United States. Sato called on the Soviets to persuade the North Vietnamese to negotiate a peaceful settlement.

3. In a press conference at Osaka 6 October, Ambassador Reischauer criticized the Japanese press, particularly Mainichi and Asahi, for not giving a balanced picture of the war in Vietnam, noting that more emphasis had been devoted to statements by DRV leaders than by GVN leaders. He cited a recent Mainichi allegation that the United States had wantonly bombed a leprosarium in North Vietnam as an example of biased reporting. The Ambassador has been taken to task by Mainichi and Asahi for his comments, but approaches from the two papers for high-level interviews with US officials to get their side of the story indicate a certain amount of bad conscience. A Japanese Foreign Ministry spokesman told the press on 7 October that a majority of letters to the ministry expressed criticisms of the press similar to those of the Ambassador.

C. INTERNATIONAL CONTROL COMMISSION

Canadian Commissioner Seaborn told Embassy Saigon that ICC discussions on 1 October of US violations of the Demilitarized Zone (DMZ) through erroneous air strikes on 16 and 17 September had gone very smoothly because of our prompt reports on the incidents. Seaborn stated that ICC had agreed to report that Article 19 of the Geneva Agreements had been violated but also to take note of the full cooperation it had received from the GVN, particularly the statement that there was no intent to violate the DMZ. Seaborn also said that he believed that prompt GVN/US cooperation on the DMZ incidents, together with a GVN letter agreeing to let the ICC again view certain documents found aboard the steel-hulled North Vietnamese infiltration ship sunk at Vung Ro last February, could be used to pressure the Indian delegate to take action on this latter matter.

D. SWEDEN

The United States Mission to the United Nations reports that Swedish Foreign Minister Nilsson's references to Vietnam in his speech to the UN General Assembly were brief and better balanced and milder than his speech on 18 August in Stockholm which criticized United States bombing of North Vietnam as threatening to broaden the conflict. In his UN speech,

Nilsson stated that it is vital that further escalation of the conflict be avoided, and advocated gradual reduction of hostilities and a solution in accordance with the wishes of the Vietnamese people without foreign intervention and without internal terror. USUN notes that the efforts of Embassy Stockholm and Ambassador Goldberg may have had a desirable effect on Nilsson and that the difference between the two speeches may also be due in part to the fact that Nilsson's speech at the UN was not tailored to a domestic audience.

E. AMBASSADORIAL APPOINTMENTS

On 13 October, the GVN announced publicly that Vu Van Thai will replace General Tran Thien Khiem as ambassador to the United States and that Khiem will become ambassador to the Republic of China. There is some concern that General Khiem will try to pass through Saigon enroute to Taiwan and stir up trouble within the military leadership.

F. FREE WORLD ASSISTANCE

1. REPUBLIC OF KOREA. Five thousand ROK marines landed at Cam Ranh Bay on October 9. The remainder of the 15,000-man division will arrive later this month.

2. VENEZUELA. The chief of staff of the Venezuelan Army may visit South Vietnam during the latter half of November to observe and exchange information on counterinsurgency operations. Talks on this proposed visit are now being held.

3. SPAIN. On 11 October, the Spanish ambassador in Washington advised the State Department that Spain would provide four ambulances and possibly crews for South Vietnam. He made no mention of the proposal that Spain loan the GVN a coastal merchant vessel as reported last week.

4. ITALY. During his coming visit to Rome, Phan Van Thinh, Secretary General of the GVN Foreign Ministry, plans to ask the Italians to contribute light electric generators and water pumps, as well as press for an orphanage run by Italians in South Vietnam.

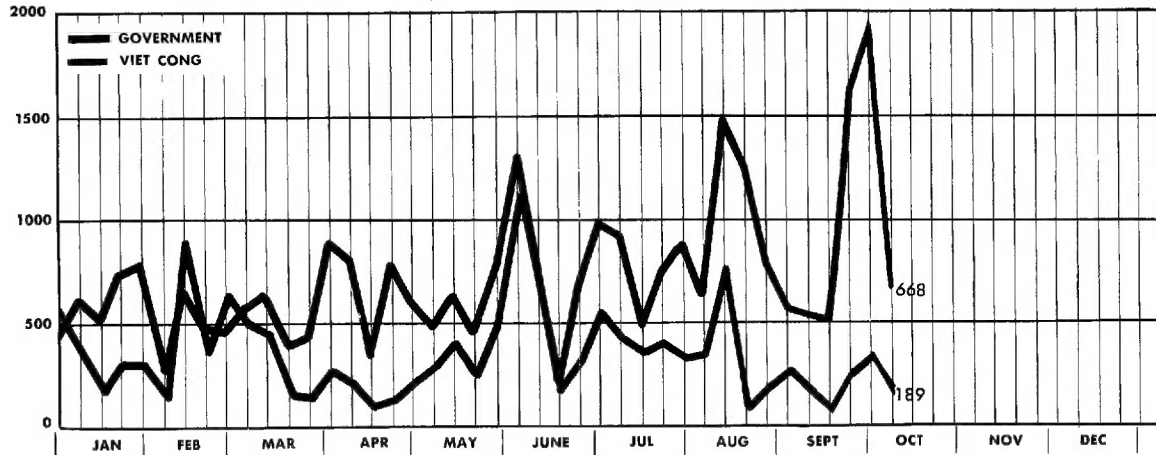
SOUTH VIETNAM BATTLE STATISTICS, 1965

SECRET

WEEKLY REPORT

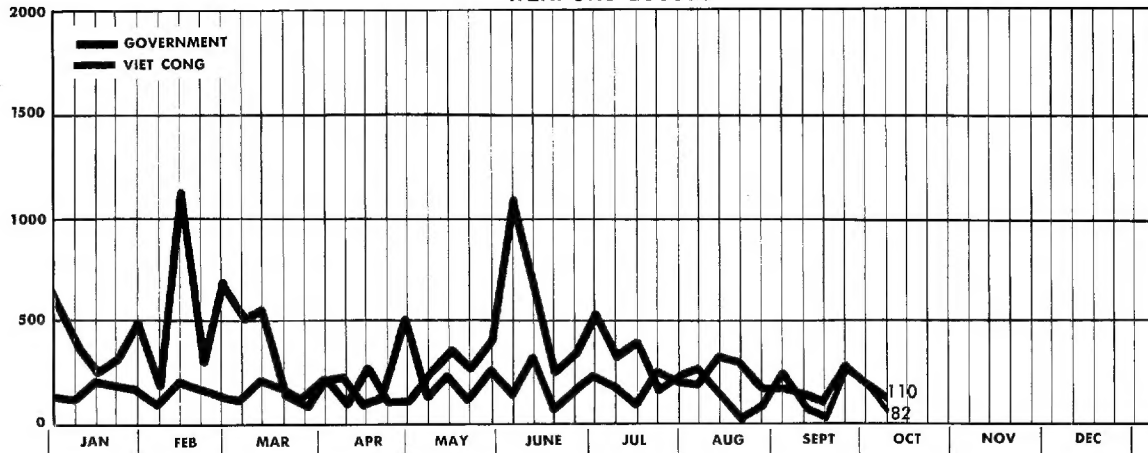
2 Oct - 9 Oct

PERSONNEL LOSSES (KILLED IN ACTION, MISSING IN ACTION, CAPTURED)

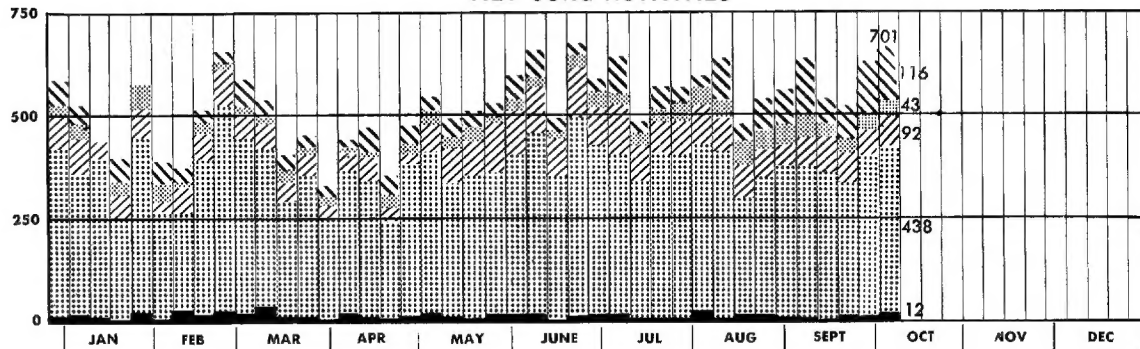


* WOUNDED NOT INCLUDED, SUCH FIGURES UNAVAILABLE ON VIET CONG

WEAPONS LOSSES

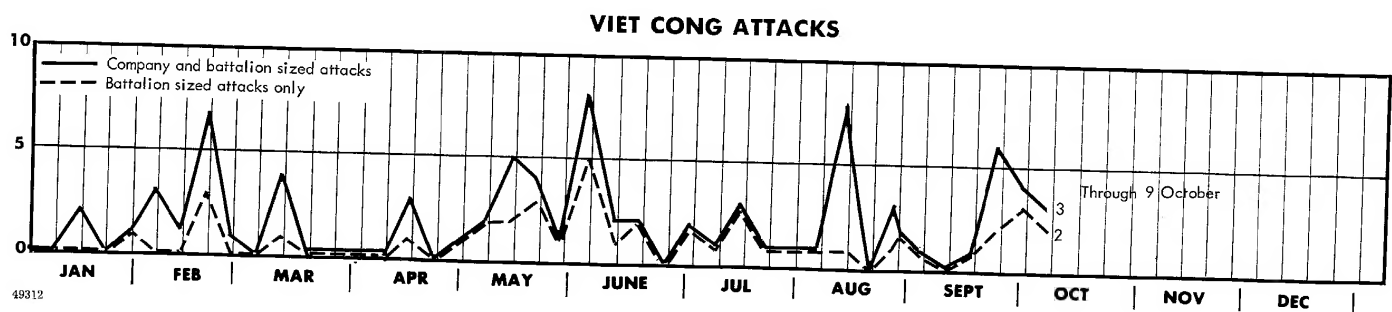
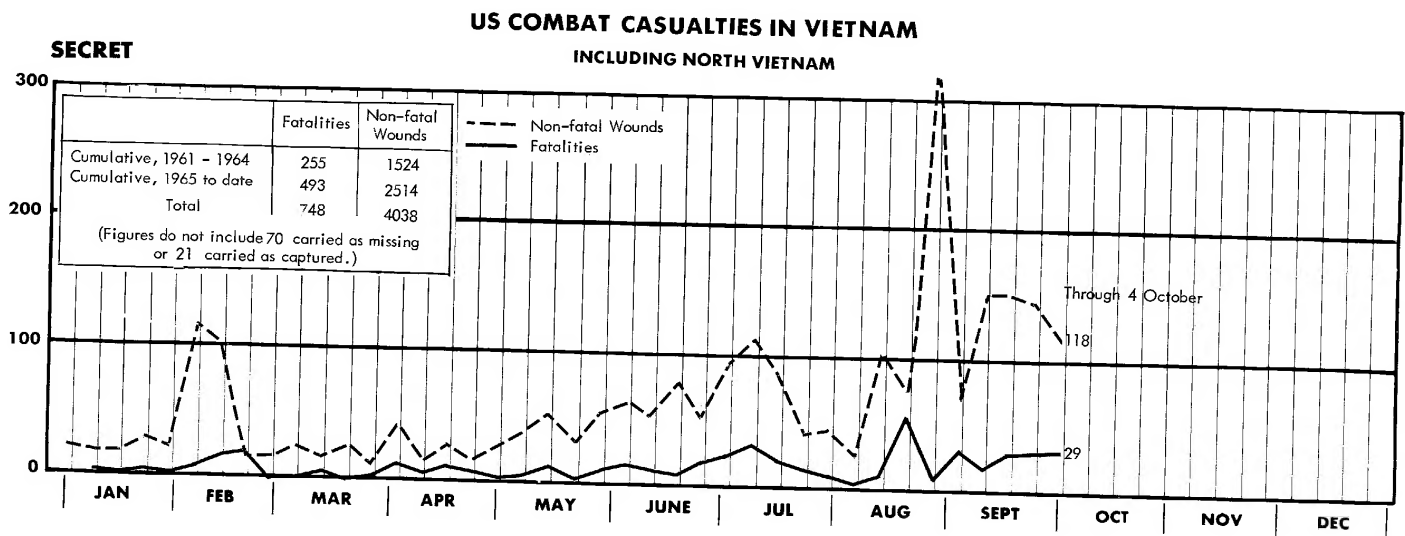


VIET CONG ACTIVITIES



49196 ■ ATTACKS ■ TERRORISM ▨ SABOTAGE ▩ PROPAGANDA ▤ ANTIAIRCRAFT FIRE

SECRET



49312

Approved For Release 2001/09/06 : CIA-RDP79T00472A001800040002-7

SECRET
NO FOREIGN DISSEM

NO FOREIGN DISSEM
SECRET

Approved For Release 2001/09/06 : CIA-RDP79T00472A001800040002-7